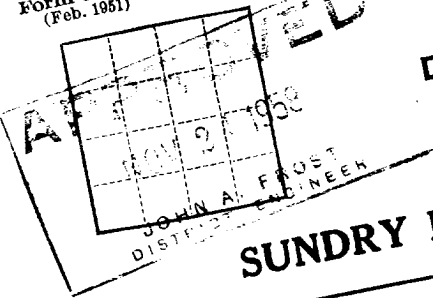


Form 9-2312
(Feb. 1951)



(SUBMIT IN TRIPLICATE)
**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

Land Office Las Vegas

Lease No. 037777 (A)

Unit

30-015-05965

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL
NOTICE OF INTENTION TO CHANGE PLANS
NOTICE OF INTENTION TO TEST WATER SHUT-OFF
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL
NOTICE OF INTENTION TO SHOOT OR ACIDIZE
NOTICE OF INTENTION TO PULL OR ALTER CASING
NOTICE OF INTENTION TO ABANDON WELL

SUBSEQUENT REPORT OF WATER SHUT-OFF
SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING
SUBSEQUENT REPORT OF ALTERING CASING
SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR
SUBSEQUENT REPORT OF ABANDONMENT
SUPPLEMENTARY WELL HISTORY

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Well No. Levers #3 is located 330 ft. from [S] line and 1980 ft. from [E] line of sec. 33
16 (Twp.) 29 (Range) MPM (Meridian) New Mexico (State or Territory)
10 1/4 Sec. 33 (1/4 Sec. and Sec. No.) Forest (EXT) (Field) (County or Subdivision)

The elevation of the derrick floor above sea level is _____ ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Plan to set 8 5/8" casing at approximately 300' and cement with 50 sacks of cement. Will drill to about 2500' and run 5 1/2" casing and cement with 150 sacks of cement. Will complete well in Grayburg zone and test the Lovington sand in the San Andreas.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company

Highland Corporation, Artesia, New Mexico

Address

By

Title

W. J. Pennington
Agent

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date November 24, 1958

Operator Highland Corporation Lease Levers
Well No. 3 Unit Letter H Section 33 Township 16E Range 29N NMPM
Located 1980 Feet From West Line, 330 Feet From South Line
County Sandoz G. L. Elevation _____ Dedicated Acreage 40 Acres
Name of Producing Formation Grayburg Pool Forest (FET)

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes _____ No _____.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

Section B

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Highland Corporation
(Operator)
W. J. Pennington Jr.
(Representative)

West of rd, Artesia, N. Mex.
Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed November 21, 1958

Harold Kersney
Registered Professional
Engineer and/or Land Surveyor.



Certificate No. 802

(See instructions for completing this form on the reverse side)

INSTRUCTIONS FOR COMPLETI

1. Operator shall furnish and certify to the information called for in Section A.
2. Operator shall outline the dedicated acreage for both oil and gas wells on the plat in Section B.
3. A registered professional engineer or land surveyor registered in the State of New Mexico or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
4. All distances shown on the plat must be from the outer boundaries of Section.
5. If additional space is needed for listing owners and their respective interests as required in question 3, Section A, please use space below

* "Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1953 Comp.)